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New York

SUMMARY RECORD OF THE 71st MEETING

Chairman: Ms. ROTHEISER (Austria)
(Vice-Chairman)

later: Mr. DINU (Romania)
(Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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STATEMENT BY THE SECRETARY-GENERAL

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In the absence of Mr. Dinu (Romania), Ms. Rotheiser (Austria) took the Chair.

The meeting was called to order at 3.35 p.m.

AGENDA ITEM 104: PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (continued)

Granting of travel assistance to least developed and other developing countries that are members of the United Nations Commission on International Trade Law (continued) (A/C.5/47/CRP.1)

1. The CHAIRMAN suggested that, since no consensus had been reached on the question of the granting of travel assistance to least developed and other developing countries members of the United Nations Commission on International Trade Law, consideration of the matter should be deferred to a later date. She would take it that the Committee wished to recommend to the General Assembly that it defer consideration of the question to its forty-eighth session.

2. It was so decided.

AGENDA ITEM 147: PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (continued)

Final appropriations for the biennium 1990-1991 (continued) (A/C.5/47/77/Add.1 and Add.1/Corr.1 and A/47/915 and Corr.1)

3. The CHAIRMAN drew attention to the second report of the Secretary-General on the final appropriations for the biennium 1990-1991 (A/C.5/47/77/Add.1 and Add.1/Corr.1) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/47/915 and Corr.1). In addition, copies of the statement by Mr. Duval, the director of the Budget Division, to the Committee at its 66th meeting on 21 April 1993 had been distributed.

4. Mr. SPAANS (Netherlands) said that his delegation was grateful to the Secretariat for providing background information on the issue of supernumeraries. However, a number of important questions remained unanswered. For example, his delegation wished to know what the total number and cost of supernumeraries had been for the biennium 1990-1991. Furthermore, it sought clarification as to whether the amount of $13 million referred to in paragraph 7 of Mr. Duval's statement reflected estimated costs for the biennium 1990-1991 in respect of supernumerary staff or actual expenditure. Moreover, all supernumeraries appeared to be based in New York; his delegation wondered whether supernumerary staff existed at other headquarters duty stations.

5. Referring to the report of the Board of Auditors (A/47/5, paras. 193-196), which stated that payments to supernumerary staff should not have been effected without prior approval of the General Assembly, he said that his delegation wished to known why there had been no mention of supernumerary staff in documents A/C.5/45/45 and Add.1, A/C.5/46/46 and A/C.5/47/77, and also why the Secretariat had not asked for prior approval and whether it had admitted that it should have done so. Lastly, his delegation wished to know whether the Secretariat agreed with the observations of the Board of Auditors.

(Mr. Spaans, Netherlands)

6. With regard to the composition of the supernumeraries, his delegation requested an update on the matters dealt with in document A/C.5/46/46/Add.1, namely updated information on the positions and ranks of the supernumeraries, on the costs per position and on the number of male and female staff members involved. It was not requesting a list of the names of either previous or current supernumeraries, as it assumed that the individuals concerned met the highest standards of professionalism and integrity. However, it did wish to know whether any of the supernumeraries had not been part of a retrenchment exercise and also whether any former supernumeraries had been employed by the United Nations as consultants or in any other capacity after they had ceased to be supernumeraries.

7. With regard to paragraph 10 of Mr. Duval's statement, his delegation wondered how supernumeraries could continue to perform functions that had been abolished. His delegation further requested the Secretariat to explain whether there had been a concomitant reduction in the cost of temporary assistance and of consultants in the 1990-1991 biennium. He requested that copies of the Secretary-General's relevant decision and the guidelines which had been issued should be made available to the Committee. He also asked whether the Advisory Committee had ever been informed about the situation.

8. He now wished to turn to the issue of the implications for the programme budget for the biennium 1992-1993. His delegation would like to know the number of supernumeraries continued in the 1992-1993 budget as well as their sections, ranks, the cost involved and whether they were male or female. In addition, his delegation wondered why no reference had been made to such information in documents A/C.5/46/30 and 39, A/C.5/47/2, 4, 29, 40, 41 and 71. It also wished to know why there had been no reference in the first performance report on the biennium 1992-1993 (A/C.5/47/47), even though there had been supernumeraries at the time of the drafting and submission of that report.

9. Lastly, his delegation sought clarification regarding the discrepancy in Secretariat statements concerning the total number of supernumeraries. Until it received clear answers to the questions it had posed at the current meeting and to the questions it had asked during the Committee's meetings in March, it would not be in a position to support a decision on the 1990-1991 budget.

10. Mr. MICHALSKI (United States of America) said that his delegation shared the concerns expressed by the representative of the Netherlands regarding supernumeraries. In addition, his delegation was greatly concerned by the inclusion of additional funds for staff assessment in the request for additional appropriations for the biennium 1990-1991. The real purpose behind the staff assessment was to raise funds for tax reimbursement. If the appropriations request from the Secretary-General was approved, the United States would be required to pay approximately $1.6 million into the Tax Equalization Fund. As the audited financial statements for the biennium 1990-1991 showed, the United States share of the Tax Equalization Fund had a surplus of income over expenditure of more than $12 million. There was thus no justification for adding a further $1.6 million to that surplus. His delegation opposed any decision that would require the United States to pay unjustified contributions. Unless the decision on the item under discussion explicitly excluded an additional assessment for staff assessment, the United States would not agree to any additional appropriation for the 1990-1991 biennium.

11. Mr. BOIN (France) said that his delegation supported the comments made by the representative of the Netherlands and also looked forward to receiving answers to the questions he had asked.

12. His delegation was of the view that the presentation of the performance report for the programme budget for the biennium 1990-1991 needed to be completely reviewed in order to make the report easier to understand.

13. Regarding the issue of supernumeraries, his delegation wondered if there was a connection between maintaining supernumerary staff and the use of outside consultants by the Secretariat. The widespread use of outside consultants throughout the United Nations system had been repeatedly criticized, in particular by the Board of Auditors in its report (A/47/5, paras. 205-218). His delegation supported the findings of the Board of Auditors and requested further information on the use of outside consultants within the Secretariat; to be more specific, his delegation wished to know the overall cost of consultants, the number of contracts, the average length and cost of contracts, the reasons for using consultants, the professional background of consultants, and the number of former United Nations staff members involved.

14. His delegation was unable to approve any programme budget for the biennium 1990-1991 until it had received clarifications and answers to its questions and to those asked by the representative of the Netherlands.

The meeting was suspended at 4.05 p.m. and resumed at 4.20 p.m.

15. Mr. Dinu (Romania) took the Chair.

16. Ms. HOLLAND (United Kingdom) said that her delegation had drawn three conclusions from the statements made by earlier speakers. The first was that in their current form the performance reports were less than transparent. The Committee still had not learned why the Secretariat's financial controls had broken down in the biennium 1990-1991, leading to expenditure in excess of the sums approved in appropriations for the two years concerned. The report did not even attempt to explain why there were significant variations between appropriations and expenditure, and the Committee had not been informed as to how such a situation would be avoided in the future.

17. Secondly, regardless of whether the excess expenditure was the result of the continued employment of supernumeraries, the Secretariat's management performance in that area had been unconvincing and indecisive.

18. Thirdly, the General Assembly had no option but to accept the Advisory Committee's recommendation, give ex post facto the appropriate budgetary authority and agree to bring the actual sums to account in the final performance report for the biennium 1992-1993, deciding at that stage whether any additional assessments were required.

19. Her delegation suggested that a decision regarding the programme budget for the biennium 1990-1991 should be deferred. In the future, the Secretariat should complete performance reports with notes clearly explaining any significant variations between appropriations and expenditure.

20. Mr. HALBWACHS (Director, Budget Division) said that he had taken note of all the questions asked by representatives. He would provide answers as soon as possible.

21. The CHAIRMAN said that he would take it that the Committee wished to defer the decision on the final appropriations for the biennium 1990-1991 again, pending a reply from the Secretariat to the numerous questions raised.

22. It was so decided.

STATEMENT BY THE SECRETARY-GENERAL

23. The SECRETARY-GENERAL said that he was addressing the Committee because the United Nations faced a real financial crisis.

24. He had realized as soon as he had taken office that United Nations financing arrangements were not satisfactory. He had repeatedly warned that the tasks heaped upon the Organization, and the resources made available to it, were seriously out of line.

25. He had made proposals and suggestions in reports and speeches. He had even asked the Ford Foundation to establish an independent advisory panel - the Volcker-Ogata panel. That distinguished panel had presented a set of recommendations, to which there had so far been little response.

26. The Organization lived from hand to mouth. There was nothing new about that. But the situation was now becoming very difficult.

27. With massive new demands and mandates, limited cash resources had been stretched to the limit. The situation had gone from bad to worse. He had therefore come to the conclusion that urgent short-term measures must be taken immediately.

28. Earlier in the month, he had sent 15 letters to the Heads of State or Government of Security Council members. He had told them that the financial situation might soon prevent the United Nations from discharging its responsibilities in respect of international peace and security.

29. At the same time, he had written to all Member States with outstanding contributions. He had urged them to fulfil their financial obligations by ensuring prompt payment. He had taken that unprecedented step because the Organization was faced with an unprecedented situation.

30. The Organization had monthly expenditures of $310 million. A large part of that amount went to peace-keeping operations. The shortfall in payments was enormous. Currently only 7 Member States out of 184 had paid their assessed contributions to the regular budget and peace-keeping operations in full. The reserves were totally depleted. Currently, cash in hand would cover requirements only through the first week of September, without any further payments to troop contributors.

(The Secretary-General)

31. Unless substantial payments of outstanding contributions were made within 30 days, the Organization would be unable to undertake any new financial commitments. And existing operations would then be in jeopardy.

32. The Secretariat was doing all it could to exercise maximum economy. In addition to the measures already in place, he was severely reducing official travel and the use of consultants.

33. The General Assembly was about to begin. It would place additional demands on the resources of the Secretariat. He therefore had no alternative but to introduce certain measures affecting conference services.

34. Meetings with services to be held at Headquarters would be limited to those that could be serviced within the regular personnel establishment. That meant no more than 63 meetings a week with services. Ten meetings per week would be kept for the Security Council and 53 meetings for the General Assembly. There would be little possibility of servicing informal consultations or working groups, or meetings of regional or other groups of Member States.

35. Weekday meetings of the General Assembly - plenary and the Main Committees - would not be serviced beyond 6 p.m. No meetings would be held on weekends. (Those measures would not apply during the plenary meetings of the General Assembly for the general debate from 27 September to 15 October.)

36. Weekday meetings of the Security Council would not be serviced beyond 6 p.m. No meetings of the Council would be held on weekends. (Those measures would not apply when an emergency meeting was requested.)

37. The provision of verbatim records to the First Committee would be discontinued. Summary records would be provided instead. Verbatim records would be provided to the plenary of the General Assembly only for the general debate.

38. Only two copies of official documents would be distributed to Permanent Missions.

39. The practice of simultaneous distribution of documents in all languages should be modified. The English and French versions, as working languages of the Secretariat, would be issued together. The other language versions would follow if they were not ready at the same time - again, to avoid any kind of overtime.

40. Meetings in Geneva and Vienna would be reduced to those that could be serviced within the established capacity of those duty stations.

41. Those measures would reduce the need for temporary staff normally engaged at Headquarters during the General Assembly. Such staff could be reduced by over 25 per cent - approximately 100 temporary appointments. Many of those individuals had a long-standing relationship with the Organization. In some cases, the Organization had made at least an informal commitment to them. It saddened him to take that decision, but unfortunately circumstances left him no choice.

(The Secretary-General)

42. Those measures would have to remain in place at least until the end of the year. If outstanding assessed contributions were not paid by then, he would present proposals for fundamental changes. In other words, the changes he had just outlined were only the first step to cope with the financial crisis.

43. He asked the members of the Committee to transmit his statement to their Governments. He also asked that during the forthcoming General Assembly session, delegations should exercise maximum restraint in making requests or proposals that might result in additional expenditure for the Organization.

44. He thanked Members for their contributions.

The meeting rose at 4.45 p.m.